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FRACTIONAL CURRENCY COLLECTORS BOARD

NOVEMBER 2002 NEWSLETTER

STATE of the HOBBY

Unfortunately, there is not a lot going on at the time. Really and truly there has been a dearth of activity and news since Memphis. One piece of good news is that Jerry Fochtman talked with JoAnne and it seems Milt is doing much better! We wish him well and if you get a chance, drop him a note to say hi! Although there has not been a lot happening in the field lately, that won't hold true very long! January is going to be one of the biggest months in our hobby's history! After starting off with the CAA sale at FUN of the Jerry Hoffman collection, the long awaited and much anticipated special edition of the SPMC journal "Paper Money" that is devoted entirely to fractional comes out. This edition will have many original articles in it on fractional. Please remember that the only way you can get a copy is to be a member of the SPMC. I have attached an application if you are interested. The SPMC is a very good organization that I encourage everyone to be a part of. "Paper Money" alone is worth the dues. If you have any questions about the SPMC, please let me know.

ADS

The special edition of Paper Money is really shaping up well and will be loaded with content. However, we need to sell some more ads! Dealers, if you can help us out here, please get in touch with Fred. Also, the club voted to take out a full-page ad in the edition to promote and recruit for the club. We had also decided that if ten members each paid \$30 each, we could take out a second ad. This was met with approval, but I have only received one person's money. So, if you want to be a part of this, send a check to me (made out to me, not FCCB) and so I can send Fred the money instead of having to go through Wally. If we get more than ten members to do this, we can take out two or more ads! Please note—the deadline to send me the money is December 1.

JANUARY F.U.N. SALE

As I stated above, the new year will get off to a big bang! Yet another major collection of fractional will be sold at auction by Currency Auctions of American, partly owned by one of our founders, Len Glazer. This sale will be at the January FUN sale and will feature Jerry Hoffman's collection. As you know, we recently lost Jerry, well before his time. Jerry was a very quiet but energetic collector. His collection was great! Besides having an eye for quality and rarity himself, his best friend is one of the

best in the business and helped him assemble his collection—Doug Hales. That alone should tell you the quality and breadth of his collection. Some of the highlights of the sale include a “D-05-18-63” 25-cent “negative essay, a Fessenden experimental; a fourth issue 10-cent cardboard proof that was part of the sheet sold at Memphis in the 80’s; one of only two complete sets of fifth issue tete beche pairs (all are very rare, especially the 50-cent pair of which there are only three known); a number of invert including Milton numbers 1R5.4g, 2R5.2f, 2R10.3c, 2R25.1d (with plate #25 on obv), 3R50.6a and 3R50.10d. Jerry also had a very nice set of regular issue notes that was complete except for the very top rarities and includes a 1248 in Gem, ex Leichty which was the finest know at the time of Wayne’s sale, 1344, 1348 and 1356 in extremely nice condition. Also, if you are interested in nationals, the sale will also include the Walter Herget collection of Illinois Nationals (he also had a very nice set of regular issue fractional notes). If you are interested in getting a copy of the catalog, you can contact CAA or Len or you can visit their website at www.heritagecoin.com and go to the CAA section.

MEMBERSHIP

We are still adding members and expect the special edition of “Paper Money” to bring in even more. We just added our 453rd member and we currently have 190 active members. Much of the credit for this phenomenal growth goes to you, our members for taking our club to your local shows, clubs and acquaintances. We did have 26 members who did not pay their 2002 dues and were subsequently dropped from our roles.

ENCYCLOPEDIA

As noted in the last newsletter, Jerry Fochtman is currently hard at work putting the encyclopedia on disk. We decided to do the Simplified edition first and then move to the entire encyclopedia. It is coming along nicely and hopefully Jerry will be able to show it at Memphis

MATERIAL NEEDED

As you all know, when there is an article in the numismatic press that is about or relates to fractional currency, I generally include it in the newsletter. I was under the impression that since we make no money off of this newsletter and it is solely used for education (hence the resistance to running ads), that this would be okay. Unfortunately not. I got a cease and desist order from one of the publications demanding I stop this practice. Seems that my assumptions about not having to abide by the copyright stuff just because we do not make money on the newsletter was false. So, what I am saying is that I now have even less material for a newsletter. I still aim to put one out every quarter or so, but I need your help. Please send me articles, show reports, new finds, observations, etc. Without your input, this newsletter will solely be a list of members! I do have some articles from a couple of members that I will be publishing in the next edition, but I still need more stuff—especially show reports and how fractional was at them!!

EXHIBITS

This is my year! I can feel it! I plan to break an almost 20-year span of exhibiting at Memphis and not winning! I am well on my way—are you? I encourage you to start thinking about an exhibit for Memphis this year. Our group is always the cream of the crop, but we need more. It would be fabulous to have eight or ten fractional exhibits to reinforce the message we send with the special edition of Paper Money and keep interest high! **BE THINKING AND START WORKING!!!**

Grant and Sherman Specimen Notes

Third Issue 15c Fractional Currency

The third series of fractional currency was issued from January 14, 1865 to August 16, 1869, and is probably the most interesting of the five issues. It consisted of 3, 5, 10, 15, 25, and 50-cent notes with different varieties of paper, red and green reverses, autographed signatures of Treasury officials, and used different sizes for the notes of different values.

The fifteen-cent note in the series has a fascinating history. It never circulated and exists only in uniface wide and narrow margin specimens or proofs. This happened because when Spencer Clark (Chief Clerk of the National Currency Bureau), allowed his portrait to be used on the five cent note for the series, Congress was infuriated. Congress then passed a law in April 1866, prohibiting the portrait of any living person from appearing on U.S. notes or bonds.

Plates for the fifteen-cent note were engraved early in 1866, before the law passed, with obverse portraits intended to honor Union General's W.T. Sherman and U.S. Grant. Both men were alive, so as the printing process had only progressed to the uniface specimen stage, the notes were never circulated.

About 12,000 total specimen sets (face and back) were printed by the Treasury on thin white bond paper--not watermarked CSA, and not marked "SPECIMEN" on the reverse. Narrow margin notes were used on Treasury shields as counterfeit detectors and outnumber wide margin pieces used as printing specimens or souvenirs. Red and green reverses exist for both size notes. (see illustrations)

The notes illustrated are the most common with printed signatures of S.B. Colby (Registrar) and F.E. Spinner (Treasurer). A look at the signatures on the notes shows General F.E. Spinner's characteristically bold hand. Spinner (whose portrait appears on the 50-cent note in the series) was an active Treasurer largely responsible for the successful factional issues. Born in 1802, he was a N.Y. Banker and Congressman an early Republican and the first Treasurer to employ women. He resigned in 1875 and died in 1890.

S.B. Colby (Registrar) was a Vermont lawyer and another early Republican. He took office August 11, 1864 and died in office September 21, 1869.

Notes with autographed signatures of Colby and Spinner and a red reverse are very rare since the notes were only used on pink Treasury shields and less than 20 exist.

Other wide and narrow margin notes were prepared with Jeffries (the new Register's) signature. Jeffries was an Ohio lawyer and Federal General who assumed office October 5, 1867, and resigned in a dispute March 15, 1869. He was born in 1828 and died in 1896. Jeffries' signature is very precise compared to Spinner's florid style.

The last signature is that of John Allison as Register. Allison was a very early Republican and Pennsylvania Congressman who nominated Lincoln for Vice President in 1856. Born in 1812 he died in office in 1878 although serving after Spinner's resignation in 1875.

Allison and Spinner signature combinations are somewhat rarer than Jeffries and Spinner probably because the third issue was completed early in their joint term.

Collecting these small third issue fifteen-cent specimen notes provides an insight into the political processes in the late 1860's. It also provides a chance to learn about the printing process, history, some devious characters, and to wonder about a slower pace when Treasury officials had time to hand sign small fifteen-cent bills.

These are just a few reasons why collecting factional currency is a fascinating hobby.

References

The Encyclopedia of U.S. Postage and Fractional Currency: by Milton R. Friedberg

Paper Money of the United States: by A.L. Friedberg

Fractional Money: by Neil Carothers

A Guide Book of United States Fractional Currency: by Matt Rothert

okay
then
why did
they keep
getting
signed
by another
2 registers?

- Colby
- Jeffries
- Allison?

was it for
specimen
sets?

Third Issue Fifteen-cent Notes
Grant/Sherman



Printed signatures of Colby & Spinner



Autographed signatures of Jeffries & Spinner



Autographed signatures of Colby & Spinner



Autographed signatures of Allison & Spinner



Common reverse (red and green)

Article by Rob Kravitz

the Currency Dealer newsletter

December 2001

GEM FRACTIONALS REPRESENT GOOD VALUE

Quality Notes Stay In Collections

by Robert Kravitz

The Fractional Currency market is very strong. Many new collectors are getting the Fractional collecting bug. Also many more dealers are now stocking Fractionals, not just the lower grade flea market stuff but also the higher grade Notes as well.

Fractional Currency is still a good bargain, even when you compare its rarity and price to Large Size Notes, you still come to the conclusion that Fractional Currency offers a great value.

Most of the older large and quality collections have been sold at auction over the past 4 or 5 years. Fractionals are now in tight hands with new collectors less willing to sell for many years. Therefore, it is becoming increasingly difficult to acquire the rare and high-grade quality Notes. They are mostly just staying in collections. Consequently not that many Gems are coming up for sale. With less and less supply available and the ever increasing demand, prices have nowhere to go, but up! To obtain a Fractional Note (even the more common example) in Gem condition is quite a challenge to me personally. A Gem Note is almost a perfect Note, with better than average margins and centering (must be both sides) for that Type of Note. For example, due to the sheet layout most Justice Notes are very close on the margins. To me, a Gem Note should not be toned and shouldn't have any pin holes.

The Fr. 1381 50-cent 5th issue (William H. Crawford Note) is common, but definitely not in Gem! Last year it took me six months to find one to complete a 23-piece Type Set. In July 1981, Gem Greensheet Bid was \$125, by July 2001 Gem Bid was only \$67.

The Fr. 1357 50-cent Justice on Fiber Paper, Auto. Sig. Note is a very scarce Note. This may only come up for sale two or three times per year as there are only 20 or so Unc's known and only one Gem! So if you are putting a Gem 46-piece Type Set together, you'll most likely have to settle for a Choice CU. July 1981 Greensheet Bid in Ch CU was \$1,300 and by July 2001 it was only \$775. The retail price for the Fr. 1357's are now at their 1981 Bid levels.

The Fr. 1296 25-cent Note for example has only 12 known. The last one sold in Gem condition at \$4,200. Comparatively, if this was a Large Size Note it would have probably sold for over \$100,000. In Fractional Currency there are about 15 different Notes that contain 25 or less "known" of each and they are all still considered very undervalued, but not for long. Also many scarce and undervalued Fractionals include: Autographed (hand-signed) Notes; Fiber Paper Notes; and, Wide Margin Specimen Notes.

Fractional Currency is the only field of Currency collecting in which Specimen Notes, are sought-after and still affordable. These uniface Notes mostly from adopted designs were not intended for circulation. Examples with the obverse and reverse design were printed, some with a Wide Margin and others with a Narrow Margin. They are rare enough to be interesting and for now undervalued! These are the real sleepers of the Fractional Currency market. For example, there were only 9,016 Grant-Sherman Specimen Notes printed. However by 1884 only 3,513 remained outstanding, so how many can there be left today?

The Fr. 1235 5-cent second issue and the Fr. 1249 10-cent second issue, both issued on Fiber Paper are many times rarer than those not printed on Fiber Paper. As more and more collectors of Fractional Currency become more knowledgeable so grows the awareness of the undervalued Notes. I believe as more of these rarities are placed in collections, supplies will become increasingly strained!

Therefore, with the number of new collectors of Fractional Currency on the rise, the demand for the high-grade and rare Notes will only continue. Although Fractional Currency prices have not yet equaled the peak prices of 1981, I speculate that at the current rate of increase prices could exceed the 1981 bench mark by this time next year! The advent of the new grading company, slabbing Fractionals, could add to the demand for Gem Notes with prices increasing exponentially!

FRACTIONAL CURRENCY		JULY 81	JULY 83	JULY 86	JULY 91	JULY 01	DEC 01
FIRST ISSUE (1862-63)		GEM BID	GEM BID	GEM BID	GEM BID	GEM BID	GEM BID
5 cent perforated edges	FR 1228-1229	\$300	\$145	\$135	\$200	\$335	\$335
10 cent perforated edges	FR 1240-1241	\$285	\$165	\$145	\$220	\$325	\$350
25 cent straight edges	FR 1281-1282	\$240	\$90	\$85	\$80	\$175	\$175
50 cent straight edges	FR 1312-1313	\$345	\$135	\$130	\$110	\$290	\$250
SECOND ISSUE (1863-67)		GEM BID	GEM BID	GEM BID	GEM BID	GEM BID	GEM BID
5 cent	FR 1232-1234	\$160	\$65	\$60	\$45	\$115	\$135
5 cent fiber paper	FR 1235	\$455	\$275	\$220	\$240	\$575	\$625
10 cent	FR 1244-1248	\$190	\$80	\$70	\$55	\$115	\$115
10 cent fiber paper	FR 1249	\$460	\$250	\$225	\$275	\$700	\$750
25 cent	FR 1283-1288	\$250	\$115	\$110	\$95	\$210	\$210
50 cent	FR 1314-1318	\$500	\$245	\$240	\$315	\$285	\$300
THIRD ISSUE (1864-69)		GEM BID	GEM BID	GEM BID	GEM BID	GEM BID	GEM BID
3 cent light background	FR 1226	\$140	\$65	\$60	\$50	\$125	\$125
5 cent red back	FR 1236-1237	\$260	\$155	\$150	\$155	\$160	\$190
10 cent red back	FR 1251-1252	\$330	\$165	\$155	\$155	\$190	\$190
25 cent red back	FR 1291-1293	\$360	\$145	\$145	\$175	\$235	\$245
50 cent Spinner-Ty.1; red back	FR 1324-1327	\$410	\$260	\$270	\$370	\$375	\$400
50 cent Spinner-Ty.2	FR 1339-1342	\$495	\$270	\$260	\$480	\$350	\$375
50 cent Justice-red back	FR 1343-1350	\$820	\$390	\$350	\$575	\$575	\$615
50 cent Justice-red back; fiber	FR 1357	\$1,900	\$1,800	\$775	\$1,050	\$1,600	\$1,600
FOURTH ISSUE (1869-75)		GEM BID	GEM BID	GEM BID	GEM BID	GEM BID	GEM BID
50 cent Lincoln	FR 1374-1375	\$640	\$350	\$280	\$455	\$525	\$500
50 cent	FR 1380-1381	\$125	\$55	\$37	\$34	\$67	\$67
GRANT AND SHERMAN Wide Margin		GEM BID	GEM BID	GEM BID	GEM BID	GEM BID	GEM BID
15 cent face-printed Colby & Spinner	FR 1272	\$495	\$420	\$195	\$220	\$500	\$550

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Recognizing Third Issue Fractional Currency Varieties

by Len Glazer



The author, Len Glazer, of Forest Hills, New York, is a well known specialist in fractional currency and encased postage. A consultant to the Coin and Currency Institute, publishers of Paper Money of the United States, by Robert Friedberg, he is a familiar sight at most major numismatic conventions.

Glazer was recently chosen as President of the Professional Currency Dealers Association and is a founding and charter member of the Fractional Currency Collectors Board.

He also serves as a pricing consultant for the Currency Dealer Newsletter and recently announced his candidacy for a seat on the Board of Governors of the American Numismatic Association.

The Sentinel welcomes him as a contributor. — The Editor

As a specialist in fractional currency, the small notes issued in denominations of less than one dollar to meet the shortage of circulating coins during and just after our Civil War years, I sometimes have to take a step back and realize that some of the facts about the subject I take for granted aren't quite so well known to beginning collectors and can be a source of confusion for them.

While there are only a limited number of major design types of fractional currency — and this is one of the aspects that makes it so popular with collectors — there are a significant number of varieties of these major types.

Recognizing these varieties can sometimes be confusing if you don't know which features of the note to look for. I've found in talking to beginning collectors that the letter and numeral design figures on Third Issue fractional currency can be particularly confusing in cataloging the different varieties of the five different denominations in this series.

These Third Issue notes were issued from December of 1864 through August of 1869 and the varieties created by the placement of the letter and numeral design figures are among the rarest of the entire fractional currency field, so it certainly pays to be able to recognize them.

On the Third Issue Five Cent notes, which portray Spencer Clark, a small letter "a" is near the lower left side of four of the notes on the twenty note sheet. The design figure is in the open area just above the wand of Mercury. All the notes with this figure were from the left side of the sheet and for each one with the "a" every sheet contained four without it.

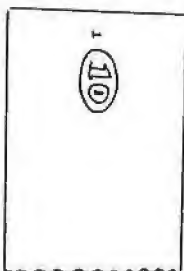
20

Article
by Len
Glazer
published
in the
Winter
1984
"the
centinel."



The Third Issue Ten Cent notes were printed in a sheet of sixteen, and the four running down the left side of the sheet have the small design figure "1" near the left edge of each note to the left of the larger "10", which designated the denomination.

1					
2					
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4					
5					
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7					
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9					
10					
11					
12					
13					
14					
15					
16					



On the Third Issue Twenty Five Cent Fessenden notes, printing was in a sheet of 12 and the design figure "a" can be found near the lower left corner. Again, the figure shows that notes bearing it were from the left side of each sheet.

1					
2					
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5					
6					
7					
8					
9					
10					
11					
12					



On the Third Issue Spinner and Justice Fifty Cent notes things get a little more involved. The "1" marked the four left side notes in each sheet of twelve, while a small "a" marked the top three notes. On the entire sheet of twelve, six notes would have no small design figures at all, three would have the "1" only, two the "a" only and but a single note in the upper left corner of the sheet would have both the "1" and the "a".

1					
2					
3					
4					
5					
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7					
8					
9					
10					
11					
12					

turn page

On both the Spinner and Justice notes the design figures are placed in the same way. The "1" is in the left center notch of the disk with the printed denomination "Fifty" in it. The "a" can be found in the notch at the bottom of the same disk.



1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

So, if you have Third Issue fractional currency in your holdings and you were never sure what the "design figures" the catalogs refer to are, now you know.

Member Larry Hitchens sent this in. It seems he recently purchased a collection of fractional that had been put together by Mr. Sydney Smith, who was a disbursing clerk in the War Department with the assistance of Mr. Raphael P. Thian.

The Evening Star
Washington, D. C. Saturday, June 26, 1897

**Most of the Fractional Currency has been redeemed.
Some turns up every year**

Written for the Evening Star

A man, evidently from some little township or settlement out of touch with the times, stepped into one of the big stores downtown the other day and made some trifling purchases. When he came to pay for them he pulled out a curious-looking pocket book, which appeared to be nothing more than two strong cards apparently bound together at the long edge, opened it from one side, disclosing some notes securely held under two bands of tape, and then, shutting it again, opened it from the other side and showed the notes free. He selected one — a note about five inches long and a little more than a couple of inches wide — and tendered it to the clerk who had carried out his wishes and who had taken in the old pocket book and the rather “queer” looking money with a hasty glance. “That is not good!” It is confederate money!” exclaimed the young lady. “No mum! That’s good, honest money.” “But it isn’t the kind we use, and I cannot take it!”

A moment later light dawned upon the girl. She called another employee of the store, and as he happened to be of more mature years and distinctly remembered the time when the old fractional paper currency was in vogue he quickly saw the old man’s position. Whether he took the money and paid for the goods out of his own pocket or whether the firm received the old-time notes is not known, but the old man, got his purchases. Before he left, however, he was advised to go to the treasury and get the remainder of his money redeemed in coins of the day, so as to avoid further misunderstandings and disagreements.

Only a few millions

There is more of this fractional currency floating around at this late day than one would imagine at first thought. Of course there is very little that finds its way into public channels as a medium of trade, but a considerable amount is redeemed at the Treasury of the United States each year, and the amount has increased very perceptibly since the set-in of the hard times and the business depression everywhere. In a few years, however, the amount outstanding will dwindle to a few thousand dollars, and the notes representing this sum will in all probability never be turned in, but will be held as heirlooms, souvenirs and valuable curiosities. The amount outstanding at this time is only a few millions of dollars.

There are many persons who remember this fractional or postal currency very vividly. It was no so long ago that it was very much in evidence, and along with the memory of it is the thought of the countless advertising schemes that were based upon a suitable pocket book or carrier for this currency. And there are any number of persons who will aver in the strongest terms that the period when the country was flooded with this fractional currency and the same money of larger denominations was the most prosperous in their recollection.

The first issue of the fractional postal currency was made under an act authorizing the same passed July 17, 1862, and \$20,215,635 was issued in denominations of five, ten, twenty-five and fifty cents. The second issue and all issues thereafter were made under an act passed March 3, 1863. The second issue comprised the same denominations as the first and the amount issued was \$23,164,483.65. In tile third issue a new denomination was introduced—the three-cent note—and the amount issued was \$86,115,028.80. In this issue there were also two fifty-cent notes, a rare occurrence in the same series. One has a picture of Justice and the other a portrait of Spinner, the

latter being a very rare specimen of the currency. The three-cent note and this fifty-cent note form two of the "hardest" specimens—in the vernacular of the coin and stamp collector—to obtain.

Various Issues

In the fourth issue, made under act of June 30, 1864, in conjunction with the other acts, there were three series, the first carrying ten, fifteen, twenty-five and fifty-cent notes and the other two series additional fifty-cent notes. The fifteen-cent note made its appearance for the first time in this issue. The amount was \$176,567,032. The last series carried but three denominations of notes, ten, twenty-five and fifty cents, and amounted to \$62,661,900. The whole amount was \$368,724,079.45. There were issued of denominations 3 cents \$601,923.99; 5 cents, \$5694,717.85, 10 cents \$82,198,456.80; 15 cents, \$5,305,568.40; 25 cents, \$139,031,482. and 50 cents, \$135,891.50. The whole amount outstanding June 30, 1896, the close of the fiscal year was, according to the treasurer's report, \$15,267,122.47, and the amount outstanding today, less the redeemed notes already turned in this fiscal year, is \$15,265,179.47. Of this amount it is estimated that \$8,375,934 has become worn out or totally destroyed, and will consequently be a clear gain to the government, leaving as the actual amount outstanding \$6,891,188.47.

It is interesting to note the amounts redeemed, each year since 1892 in coins of the present day that are available for every-day business and other obligations. In the year ending June 30, 1893 \$2,908 was redeemed; in '94 \$3,367.20; in '95 \$3,019.93; in '96-7 \$1,943. This last figure shows a falling off in the redemptions, and this may be looked upon as an indication of the loosening of the money market and the lessening of the tension upon the pocket book.

Artistic in Appearance

The notes of the first three issues were not very artistic, and were too small, with the exception of the two fifty-cent notes in the third issue. The last two issues were really beautiful specimens of the art of bank note printing, the notes of the fifth resembling the familiar treasury note of today in miniature.

The first issue was rather crude in workmanship. The prevailing colors were brown and green, while the heads of Washington and Jefferson, none too well executed, adorned them. Washington's portrait adorned the notes of the second issue, and was noticeable on account of the bright gilt circle, which surrounded it.

The colors of the notes varied—brown, green, red and purple. The portraits in the third issue, the notes of which were uniformly light, with green backs, were those of Washington, Clark, Fessenden, Justice and Spinner. The fourth issue gave the first evidence of any artistic ability, the tens and fifteens being adorned with a handsome vignette of the Goddess of Liberty. The other notes had portraits of Washington, Lincoln, Stanton and Dexter. This was the first issue in which the treasury department used the familiar seal that is on the Treasury note of today. The fifth issue was very artistically gotten up and had the portraits of Meredith, Crawford and Walker. The seals stamped on these notes resembled very much the seal in use at the present time.

A full set of this fractional currency has a face value of \$6.08, but in all probability a set would be worth from four to six times as much as a souvenir or to a collector of money. It is also probable that the greater part of this money now outstanding as a debt against the government will never be presented at the Treasury for redemption, and has been resolved into just such sets to be preserved or perhaps sold when the notes have become even rarer than they are now. The government will make no objection to this, as every note destroyed or kept in this way is just so much in Uncle Sam's pocket.

WAR DEPARTMENT,
OFFICE OF THE DISBURSING CLERK.

Want one each

85c Five cent - Red back
P. 6 Ten cent - do
P. 6 Twenty-five cent - do
P. 6 Fifty cent - do

2 Fifty cent - Green - 40.00

2	Pay 1	30-30-45-100	2.05
100	2	75-100-125-125	5.75
30	3	40-40-35-35	1.50
100	4	75-75-25-25	6.50
106	5	50-50-40-40	1.80
30	6	40-40-75-35	5.05
100	7	100-100	3.70
100	8	3-3	6.00
100	9	175-125	3.50
100	10	150-150	3.00
50	11	40-40-50-50	1.80
50	12	75-75	1.50
100	13	2-2	4.00
100	14	150-150	3.00
100	15	135-135	2.70
50	16	50-50-50-50	2.10
70	17	30-30-65-65	1.90
100	18	125-125	2.50
14.96			58.35

WASHINGTON, D. C., SATURDAY, JUNE 2

BUT LITTLE NOW OUT

Most of the Fractional Currency Has
Been Redeemed.

SOME TURNS UP EVERY YEAR

A Complete Collection Has Con-
siderable Value.

THE VARIOUS ISSUES

Written for THE EVENING STAR

A man, evidently from some little town, ship or settlement out of touch with the times, dropped into one of the big stores down town the other day and made some trifling purchases. When he came to pay for them he pulled out a curious-looking pocket book, which appeared to be nothing more than two strong cards apparently bound together at the long edge, opened it from one side, disclosing some notes securely held under two bands of tape, and then, shutting it again, opened it from the other side and showed the notes free. He selected one—a note about five inches long and a little more than a couple of inches wide—and handed it to the clerk who had carried out his wishes and who had taken in the old pocket book and the rather "queer" looking money with a lady patron.

"That is not good," it is Confederate money," exclaimed the young lady.

"No, ma'am, that's good, better money."

"But it isn't the kind we use, and I can't take it."

A moment later light dawned upon the girl. She called another employe of the store, and as he happened to be of more mature years and distinctly remembered the time when the old fractional paper currency was in vogue he quickly saw the old money problem. Whether he took the money from the goods out of his own pocket or whether this distinguished old-time money is not known, but the old man got his purchase. Strange he left, however, he was advised to go to the treasury and get the remainder of the money redeemed in cash of the day, so as to avoid further unsatisfactory and disagreeable.

Only a Few Millions

There is more of this fractional currency floating around at this time than any man would imagine at first thought. Of course there is very little that dates its way into public channels as a medium of trade, but a considerable amount is redeemed at the Treasury of the United States each year, and the amount has increased very rapidly since the set-in of the hard times and the business depression everywhere. In a few years, however, the amount outstanding will dwindle to a few hundred dollars, and the whole representation this sum will in all probability never be turned in, but will be held as treasured souvenirs and valuable curiosities. The amount outstanding at this time is only a few millions of dollars.

There are many persons who remember this trifling, unpoplar currency very vividly. It was not so long ago that it was very much in evidence, and along with the memory of it is the thought of the countless advertising schemes that were based upon a suitable pocket book or carrier for this currency. And there are any number of persons who will aver, in the strongest terms that the period when the country was flooded with this fractional currency and the same money of larger denominations was the most prosperous in their recollection.

The first issue of the fractional paper currency was made under an act authorizing the same passed July 17, 1862, and \$2,250,000 was issued in denominations of five, ten, twenty-five and fifty cents. The second issue, and all issues thereafter were made under an act passed March 3, 1863. The second issue comprised the same denominations as the first and the amount issued was \$2,250,000. In the third issue

a face value of \$2.05, but in all it is not worth much as a source of profit or loss of money. It is also worth the greater part of this money, standing as a debt against the government, and will be presented at the for redemption and has been real first such coin to be preserved as such when the notes have been made than they are now. The government will make no objection to this, now destroyed or kept in its own so much in Uncle Sam's pocket.

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SIDNEY E. SMITH

FRACTIONAL CURRENCY, ISSUED BY THE GOVERNMENT.

First Issue, (Postal.) Act of July 17, 1862.

5 Cents—Head of Jefferson; Brown tint; Back, Brown.
10 " " Washington; Green tint; Back, Light with Black.
25 " " Jefferson; Brown tint; " Brown.
50 " " Washington; Green tint; " Light with Black.

Second Issue. Act March 3, 1863.

5 Cents—Head of Washington; Dark ground; Gilt circle; Back, " "
10 " " " " " " " "
25 " " " " " " " "
50 " " " " " " " "

Third Issue. March 3, 1863.

3 Cents—Head of Washington; Light ground; Green back.
5 " " Clark; " "
10 " " Washington; " "
25 " " Fessenden; " "
50 " " Justice; " "
50 " " Spinner; " "

Fourth Issue. Act March 3, 1863.

10 Cents—Goddess of Liberty; Red Seal; Green back.
15 " " " " " "
25 " " Head of Washington; " "
50 " " Lincoln; " "

Fourth Issue, 2d Series. Act March 3, 1863.

50 Cents—Head of Stanton; Red Seal; Green tint back.

Fourth Issue, 3d Series. Act March 3, 1863.

50 Cents—Head of Dexter; Green Seal; Green back.

Fifth Issue. Act March 3, 1863.

10 Cents—Head of Meredith; Red Seal; Green back.
25 " " Walker; " "
50 " " Crawford; " "

A few specimens of the Third Issue have Red back.

Want

Perforated. First Issue

✓ 5¢ Jefferson
" Back plain
✓ 10¢ Washington with H & N Co
" Back plain
" " with H & N Co
✓ 25¢ Jefferson
" Back plain
" " with H & N Co
✓ 50¢ Washington
" Back plain
" " with H & N Co

2.70

Unperforated. 5¢ Jefferson, back plain
10¢ Washington, Back with
50¢ Jefferson, back plain
50¢ Washington

90¢

Second Issue

5¢ Washington
10¢ " Back with
25¢ " letters & numbers
50¢ " the corners

90¢

Third Issue

3¢ Washington (with green back)
5¢ Clark, red back
10¢ Washington do
25¢ Fessenden do
50¢ Justice seated do

EXPERIMENTALS

Editors note—I needed more information and hence I shamelessly copied this off of Paul Burkhard's website—www.fractionalnotes.com to include in the newsletter. Thanks Paul!

A very interesting type of non-circulating fractionals are the Experimental Notes. These notes are generally printed on only one side, but can be found with design printing on one side and bronze surcharging on the other. They almost always have narrow margins (although a couple of Experimental Proof Notes are known) and are usually punch cancelled with two small semi-circular holes (sometimes very small round holes) or stamped with the word "SPECIMEN" in



Milton-2E25F.6, 25c Second Issue
Experimental note.

purple, or both. These notes were printed at the Bureau of Engraving and Printing, mostly in the Second Issue. They were printed during experimentation into proper processes to printing Fractionals. The bureau was attempting to find the ideal combination of ink and paper to most efficiently print notes. The product of these trial prints was almost immediately punch cancelled and stamped "SPECIMEN." A small number of these notes have made it out to the Fractional collecting community.

Experimentals of the Second Issue can be found with or without bronze surcharging, with bronzed notes generally seen as being the rarer of the varieties. Experimental Back Notes are also seen of the Second Issue. These are generally rarer than Experimental Front Notes. While most Experimental Front Notes are known by anywhere from 30-200 samples, many of the Back Notes are Rarity 7 or even Rarity 8, indicating that there are fewer than 12 samples known.



**An Experimental Back Note
showing mutilation from the
"Shrinkage Experiments."**

A number of the Back Notes appear to have been used for the Bureau for their "shrinkage" experiments. During these experiments, notes were torn in half, had edges torn off, were soaked and then dried repeatedly, any method of damaging notes was undertaken. This was done in an effort to see how well the notes and their paper, particularly early samples of Fiber Paper, would hold up. There are even samples of Experimental Notes where the note was torn in half, reattached while still at the Bureau and then punch cancelled.

There are a number of known examples of Experimentals of the Third Issue of notes, but these



**An extremely rare 10c 3rd Issue Experimental
Note on Fiber Paper.**

are extremely rare and carry a very hefty price tag. The note shown is a Ten Cent, Third Issue Experimental Fractional, printed on Fiber Paper and is Rarity 7, with fewer than 10 samples known. At the end of the CAA Milton Friedberg Fractional Auction in January of 1997, in a saturated Fractional market environment, when almost all of the bidders on the floor were out of money, this note sold for 1200 dollars.

Experimental Fractional Notes were a favorite of Milton Friedberg and it is felt that he may have owned as many as 50-80 percent of all experimental notes known. For more than twenty years, Milt was the primary purchaser of these notes and most Fractional Dealers contacted Milt when an Experimental Note came into inventory. For this reason, value and pricing of these notes is still rather uncertain, as he was definitely the market maker for Experimentals. Generally, Experimentals of the Second Issue sell for between 150 and 400 for the more common varieties. Third Issue Experimental Notes, like the Fiber Paper 10c Note above, can sell for as much as 2000 to 5000 dollars.



A very rare Experimental "multiple," known by two samples.

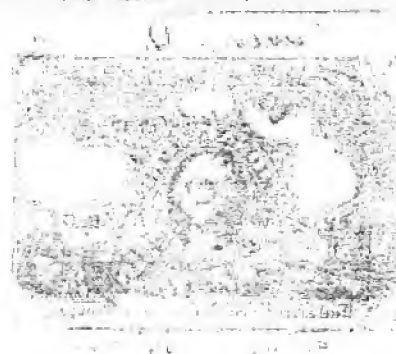
A Special "UNIQUE" Experimental

From the Edward Frossard Special List #8, Unique Collection of Essays and Proofs of United States Fractional Currency (from the Cabinet of Spencer M. Clark.) October 1, 1893. (edited for clarity)

"Lot 53. Second Issue. Obverse only. Values blank, with vignette. Thick yellow paper, broad margin (unique.) 3.00."*

From the Superior Galleries Sale of the John R. Fraser Collection, February 1-2, 1982, Century Plaza Hotel, Los Angeles, California:

"Lot 46. Milton ---- Gem Crisp Uncirculated. Extremely rare Second Issue progress proof of obverse only. No key, enabling act, or denominations. Surcharged specimen in blue on obverse and punch cancelled twice. Obviously a working essay as there are notations in margins as to quality and design numbers. Truly a rare item for the serious fractional specialist. (\$500.00 - up) (Price Realized: \$650.00)"



Get Well Soon Milt!



Memories of Memphis 2002